



Council
3 March 2020

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| Title | Members' Allowances Scheme 2020/21 |
| Report of | Head of Governance |
| Wards | N/A |
| Status | Public |
| Enclosures | Appendix A: The Remuneration of Councillors in London – Report of the Independent Panel, January 2018 Appendix B: Proposed Members Allowances Scheme 2020/21 |
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Summary

The Council is required, if it wishes to pay such allowances, to adopt a Members' Allowances Scheme on an annual basis with effect from 1 April each year.

The proposed Members' Allowances Scheme for 2020/21 is based on the current Scheme, which was adopted by Council on 5 March 2019 for 2019/20.

Recommendations

- 1. That Council have regard to the recommendations of the Independent Panel on the Remuneration of Councillors in London as attached as Appendix A.**
- 2. That Council approve the Members' Allowances Scheme 2020/21 attached as Appendix B with effect from 1 April 2020.**
- 3. That Council note that following approval the Scheme, a notice will be advertised pursuant to Regulation 16 of the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended)**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Council is required under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to agree on an annual basis a schedule of allowances payable to Members' for the following financial year. Under the regulations, when making or amending a scheme, the Council is required to have regard to the recommendations of an Independent Remuneration Panel (regulation 19). The regulations state that before the beginning of each year the authority shall make a scheme for the allowances for that year.
- 1.2 The Members Allowance Scheme is comprehensive and includes Basic Allowances, Special Responsibility Allowances (for posts which carry specific responsibilities) and other allowances and expenses that may be claimed.
- 1.3 Council at its meeting on 5 March 2019 approved a schedule of allowances that reflect responsibilities under a Committee System. The adopted scheme forms part of the formal Members Allowance Scheme which is incorporated within the Council's Constitution. The current scheme has regard to the recommendations in the June 2014 report of the London-wide Independent Remuneration Panel convened by London Councils (see link in Background Papers section). That report noted there is now considerable congruity in the basic allowance made by the London Boroughs. However, most London Boroughs do not adopt the Panel's recommendations in their entirety. It should also be noted that that the London Councils recommendations do not explicitly consider the Committee System which Barnet now operates and, as such, some of the bands are not comparable (e.g. Leader and Deputy Leader).
- 1.4 In January 2018, the London-wide Independent Remuneration Panel convened by London Councils published revised recommendations (Appendix A). The 2014 and 2018 reports of the Independent Remuneration Panel were broadly similar with the main change being the application of an inflationary increase in allowances across all bands. In the 2018 report, the Panel recommend an annual update for inflation and this has been applied for 2020/21 in line with the local government pay settlement and should be brought forward in line with future pay settlements going forward.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Members Allowance Scheme for 2020/21 requires the approval of full Council. Council is required to ensure the Scheme meets all the requirements of statute including the period the scheme covers and consideration of the findings of the Independent Panel Report.
- 2.2 The Scheme chosen reflects the special responsibilities of Members under the Committee System.

2.3 The Scheme has been drafted on the basis that Council still wishes to pay the Basic and Special Responsibility allowances proposed and adopted by Council on 5 March 2019.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Fully implementing the recommendations of the January 2018 report of London Councils Panel, even at median levels, would result in additional expenditure by the Council compared to current budget provision.

3.2 Council could refuse to adopt the proposed Members' Allowances Scheme for 2020/21. This is not recommended as the implementation of the Scheme is required to regulate the remuneration of Members in respect of Council business undertaken.

4. POST DECISION IMPLEMENTATION

4.1 Following approval by the Council of a Scheme, a notice will be advertised pursuant to Regulation 16 of the Regulations.

4.2 The approved Scheme will become operational with effect from 1 April 2020.

4.3 The Monitoring Officer will arrange for an updated version of the Members Allowances section of the Constitution to be published from 1 April 2020.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 None in the context of this report.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 For the salary element of the Member Allowances budget (which comprises Basic and Special Responsibility Allowances) a 2% inflationary increase has been applied. This results in a £23,403 increase in the budget to a total of £1,166,523 for 2020/21.

5.3 Legal and Constitutional References

5.3.1 There is a requirement that councils must make any scheme for the following year to commence on 1 April. Schemes can be amended at any time, but new schemes can be introduced only from the start of each year commencing on 1 April. The approval of Council is necessary to any amendments to existing schemes or the adoption of new schemes.

5.3.2 Responsibility for adopting a Members' Allowances Scheme is attributable to Council in accordance with section 4.1 of Article 4 of the Council's Constitution.

5.4 Risk Management

- 5.4.1 Failure to agree a scheme may render the council in breach of its statutory duty.

5.5 Equalities and Diversity

- 5.5.1 These proposals do not adversely compromise the Council's public sector equalities duty under the Equality Act 2010.

5.6 Consultation and Engagement

- 5.6.1 An advertisement setting out details of the Scheme itself will be published as soon as practicable after Council has made its decision.

6. BACKGROUND PAPERS

- 6.1 London Borough of Barnet website, Currently Elected Councillors Allowances and Expenses: <https://www.barnet.gov.uk/citizen-home/council-and-democracy/democracy-and-elections/currently-elected-councillors/allowances-and-expenses.html>
- 6.2 London Councils, Remuneration of Councillors in London Reports 2014 and 2018: <https://www.londoncouncils.gov.uk/who-we-are/about-us/financial-information/leadership-and-expenses/remuneration-councillors-london>